

For Publication

**Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
6 December 2016
Item No. 7**

REPORT AUTHOR: HEAD OF FINANCE/TREASURER

SUBJECT: REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2016/17 AS AT 30 SEPTEMBER 2016

For further information on this Report contact: Gavin Chambers
Head of Finance/Treasurer
Tel No: 01234 845016

Background Papers: The 2016/17 Budget Book

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To inform the Corporate Services Policy and Challenge Group of the forecast year end budget monitoring position as at 30 September 2016.

RECOMMENDATIONS:

1. That the Corporate Services Policy and Challenge Group consider the forecast outturn for the revenue budget and the Capital Programme.
 2. To approve the additional capital funding to the HR system project.
-

1. Introduction

- 1.1 On 11 February 2016, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2016/17 of £28.985m and a Capital Programme of £1.274m.

2. Revenue Budget Monitoring

- 2.1 A full analysis of the Revenue Budget efficiency savings for 2016/17 to 2018/19 can be found in Appendix 1. The budgets have been reduced for these areas, however, should they not be achievable please draw this to the attention of the Finance Team. This appendix forms part of the Government return, in order to receive the four year Government funding offer.

- 2.2 The funding of the 2016/17 Revenue Budget is by way of Government Funding £8.331m, local Business Rates redistribution £2.197m and Council Tax of £18.205m. There is also funding from a Collection Fund surplus of £0.252m.

2.3 **Forecasting Outturn:**

- 2.3.1 Table 1 below has been populated during the year in line with the spread sheet returns that Corporate Management Team (CMT) members submit to the Finance Team and also through the meetings that Finance Officers have with CMT members. The forecast outturn positions will be as accurate as the information received from each CMT member.

- 2.3.2 Table 1 below details the current budget excluding salary budgets, for each CMT service area. The forecast year end outturn is shown in column three, with the variance and RAG (red, amber, green) status shown in columns four and five.

2.3.3 Table 1: 2016/17 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget £'000	Actual Spend as at 30 th September 2016 £'000	Fcast yr end outturn £'000	Variance £'000	RAG status (see note below**)
Strategic Management	115	25	115	0	Green
Head of Operations	828	453	783	(45)	Green
Head of Operational Support	754	218	758	4	Green
Head of Community Safety	185	131	225	40	Green
Head of Human Resources	272	85	278	6	Green
Head of Strategic Support	1,326	796	1,326	0	Green
Head of Safety and Special Projects	5	2	5	0	Green
Head of Training and Development	561	348	561	0	Green
Head of Finance and Treasurer	4,437	1,493	4,389	(48)	Green
Total	8,483	3,551	8,440	(43)	

**RAG Status: Red would identify where there is a large overspend equal to or greater than £100,000 and/or a key service aspect was not being delivered. Amber would identify where there is a possibility of an overspend and/or a key service aspect may not be delivered. It may be that there are action plans in place to address an issue, where until they are successful it is flagged as Amber. Green identifies where service delivery is being performed and as above, where there are underspends. Underspends are not necessarily always green, if for example, there was a key service aspect not being delivered causing the underspend, it would be shown as Red.

2.3.4 The main areas of over/underspends identified in Table 1 are noted below:

There are currently no predicted over or under spends within any of the CMT service areas with a net area position of over/under £50,000.

The overspend of £40,000 reported above for the Head of Community Safety relates to the saving/efficiency item number 12 in Appendix 1 that will not be achieved. All other savings/efficiencies planned have a green status.

With regard to the above scheme and its current status, the Authority plays an intrinsic part in the Rogue Landlord scheme in partnership with Luton Borough Council (LBC). A Fire Safety Officer was attached full time to the project.

In agreement with LBC, during the initial project period, BFRS received £40,000 to cover the associated costs for the officer carrying out this role.

We have now entered into the second year (June 2016 – June 2017) of the scheme, and although BFRS remain committed to supporting the project the remuneration from LBC had not been included within their own budget forecasting for 2016/17. The saving/efficiency will therefore not be met as the planned post's funding will be met by the Authority and not grant from LBC. The Authority will review its support to the scheme in future years.

Head of Operations is predicting a £45,000 underspend mainly relating to the purchase of derv due to the continued low prices of fuel.

The predicted underspend above in Head of Finance and Treasurer relates to reduced costs for printing and stationary, external audit fees and other minor variances, these are partially offset by a reduction in receivable rent due to vacant properties.

2.3.5 With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified.

Table 2: 2016/17 Salary Budget Forecast Outturn

Title	Current Budget £'000	Actual Spend as at 30th September 2016 £'000	Forecast year end outturn £'000	Variance £'000
Whole-time	13,397	6,525	13,187	(210)
Control	973	509	965	(8)
Retained	1,984	790	1,868	(116)
Non Uniform/Agency	4,951	2,434	4,901	(50)
Total	21,305	10,258	20,921	(384)

2.3.6 The main areas of over/underspends as identified in Table 2 above are as follows:

The Firefighters pay award was budgeted at 2%. This has now been agreed at 1%, therefore the above underspend of (£114,000) apportioned across Whole-time, Control and Retained is as a result of this lower than budgeted pay award. This will have a positive knock on impact in the Medium Term Revenue Programme (MTRP) too.

A further underspend of £120,000 relating to whole-time firefighters along with an under spend of £100,000 relating to retained as a result of continued vacancies.

The £50,000 underspend in Non-Uniform/Agency relates to vacancies within Workshops, Community Safety and Hydrants Technicians.

2.4 Total Forecast Outturn, Salary and Non Salary:

2.4.1 The total forecast variance at year end including both the non-salary figure in Table 1 above and for pay and on costs, including agency staff shown in Table 2, is currently expected to be a £427,000 underspend.

3. Capital Programme Monitoring

3.1 Table 3 below is a summary of the Authority's 2016/17 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme).

Table 3: The 2016/17 Capital Programme

Scheme	Budget 2016/17	Forecast Outturn	Variance	Slippage	RAG status	Est. compl. Date
	£'000	£'000	£'000	£'000		
Review of mobile working & mobile assets incl implementation of mobile devices management software and hardware replacement	175	175	0	155	Amber	Slip majority into 17/18
Capital Works (Service wide)	80	80	0	0	Green	Ongoing
Thermal Imaging Cameras	60	60	0	0	Green	Spent
Fitness Equipment	8	8	0	0	Green	Mar 2018
Control Kitchen Upgrade	5	5	0	0	Green	Jan 2017
Web Design Project	55	55	0	0	Green	Mar 2017
Vehicles	856	856	0	0	Amber	Ongoing
Extend & Redesign the BA Technician & Technical Technician workshop	35	15	(20)	0	Amber	Jan 2017
HR Systems Project	207	237	30	0	Amber	Jan 2017
Total	1,481	1,491	10	155		

3.2 It should be noted that the Vehicles, ICT and HR System Projects and Property Capital Works Programmes need to be treated with fluidity as the costs and expected completion dates can vary considerably and span across financial years. However, in accordance with the financial regulations, any significant changes of expenditure over 10% of an approved capital scheme need to be reported back to the FRA.

3.3 **Capital Programme – Withdrawals, Additions or Variations:**

3.4 **Additions:**

There are no additions to the capital programme.

3.5 **Variations:**

3.5.1 The HR Systems project has been included in this report as it is currently predicting an overspend of up to £30,000. Contractual meetings are taking place with the systems provider as there are some discrepancies in the allocated resource provision and project management support. This is partially offset by a scaled down upgrade to the BA Technician & Technical Technician workshop resulting in a (£20,000) variance against the agreed capital programme. It is requested that the additional £30,000 funding is approved.

3.6 **Slippages:**

3.6.1 There is a total of £155,000 to report as Capital slippage in this report relating to the review of mobile working and mobile assets including software/hardware and devices.

GAVIN CHAMBERS
HEAD OF FINANCE/TREASURER

Transformational Savings and Efficiencies 2016/17 to 2018/19

Ref	Savings/Efficiencies	£'000s 2016/17	£'000s 2017/18	£'000s 2018/19	RAG Status
1	Continued roll out/removal of 24 Wholetime station-based posts through revision to Wholetime Shift Duty System.	263	157		Green
2	Service Control/Operational Support Establishment		34		Green
3	Reduction of One Area Commander post and a Service Operational Commander (SOC) allowance.	3	78	35	Green
4	Hydrant - contributions (estimated) from developers, therefore reduction in revenue budget	10	20	20	Green
5	Non-operational structure review		35		Green
6	Improved Retained Duty System crewing availability (savings associated with DCLG Transformation bid)	127			Green
7	Flexi Duty Officer rota review	37			Green
8	Admin Review (early indication)		50		Green
9	Anticipated initial savings from Insurance pooling		10		Green
10	Watch Manager Technical - Change post from Grey Book to Green Book		18		Green
11	Disclosure Barring Service checks - reduction to specific groups		5		Green
12	Protection - Risk Based Inspection Programme.(loss of Fire Safety Inspecting Officer post/funding by LA)	40			Red
13	Potential for sharing Fire Investigation Service with Herts/Cambes FRS			7	Green
		480	407	62	